

## CHAPTER 4 CAMPAIGN DISCLOSURE PROCEDURES

[Prior to 9/9/87, Campaign Finance Disclosure[190] Ch 4]  
[Prior to 3/30/94, Campaign Finance Disclosure Commission[121] Ch 4]

### DIVISION I ORGANIZATIONAL REQUIREMENTS

#### **351—4.1(56,68B) Requirement to file statement of organization (DR-1)—persons subject to requirements; financial thresholds; where to file; when due.**

**4.1(1) *Persons subject to requirement.*** Every committee shall file a statement of organization (Form DR-1) within ten days from the date of its organization. The forms shall be either typewritten or printed legibly in black ink.

*a. "Committee" defined.* A "committee" includes a "candidate's committee," which is the entity required to be created when a candidate has exceeded the \$750 organizational threshold, even though the organization may consist only of the candidate. A "committee" also includes a "political committee," which is the entity required to be created when two or more individuals have exceeded the \$750 organizational threshold for permanent or temporary political purposes.

*b. When organization occurs; financial thresholds.* At the latest, organization is construed to have occurred as of the date that the committee first exceeded \$750 of financial activity in a calendar year in any of the following categories: contributions received (aggregate of monetary and in-kind contributions); expenditures made; or indebtedness incurred.

*c. Permanent organizations temporarily engaging in political activity.* The requirement to file the statement of organization applies to an entity that comes under the definition of a "political committee" (PAC) in Iowa Code section 56.2(15) by receiving contributions, making expenditures, or incurring debts in excess of \$750 in any one calendar year for the purpose of expressly advocating the election or defeat of a candidate for public office, or for the purpose of expressly advocating the passage or defeat of a ballot issue. A permanent organization that makes a one-time contribution in excess of \$750 may in lieu of filing a statement of organization follow the procedure in rule 351—4.35(56).

**4.1(2) *Place of filing.*** Statements of organization shall be filed with the board at 514 E. Locust, Suite 104, Des Moines, Iowa 50309. Statements may also be filed by fax at (515)281-3701 or filed electronically through the board's Web site at [www.iowa.gov/ethics](http://www.iowa.gov/ethics).

**4.1(3) *Time of filing.*** A statement of organization shall be filed with the board within ten days after the financial filing threshold in subrule 4.1(1) has been exceeded. A statement must be physically received by the board or, if mailed, must bear a United States Postal Service postmark dated on or before the report due date. Faxed or electronically filed statements must be submitted on or before 11:59 p.m. of the tenth day after the organization of the committee is required. If the tenth day falls on a Saturday, Sunday, or holiday on which the board office is closed, the filing deadline is extended to the next working day when the board office is open.

This rule is intended to implement Iowa Code sections 56.4 and 56.5.

#### **351—4.2(56,68B) Information required: committee name.**

**4.2(1) *Full name required.*** The statement of organization shall include the full name of the committee. A committee using an abbreviation or acronym as part of the committee name shall provide with the statement of organization a written explanation of the full word or words that are abbreviated or that form the acronym.

**4.2(2) *Duplication of name prohibited.*** The committee name shall not substantially duplicate the name of another committee organized under Iowa Code chapter 56. The board shall determine whether two committee names are in substantial duplication in violation of Iowa Code section 56.5(2)“a.” A committee substantially duplicating the name of another organized committee shall choose a new committee name upon notification from the board. A candidate who files an amended statement of organization to reflect a change in office sought shall not be required to change the name of the candidate’s committee unless the committee’s name substantially duplicates the name of another organized committee.

**4.2(3) *Candidate’s surname required in committee name.*** A candidate filing a statement of organization on or after July 1, 1995, shall include the candidate’s surname within the committee name. This requirement also applies to a new candidate’s committee organized by a candidate who has a pre-existing candidate’s committee but who organizes a new candidate’s committee or files an amended statement of organization.

This rule is intended to implement Iowa Code section 56.5.

**351—4.3(56,68B) Information required: committee purpose; party affiliation.**

**4.3(1) *Committee purpose.*** An organized campaign committee shall identify the purpose of the committee on the statement of organization. The purpose shall be indicated in part by designating the committee as one of the following types of committees:

Type 1 – A candidate’s committee for a statewide or legislative candidate.

Type 2 – A political committee that expressly advocates for or against multiple candidates at the state level or expressly advocates for or against a statewide ballot issue. This type of committee is referred to as a statewide PAC.

Type 3 – A state statutory political committee. This type of committee is referred to as a state party.

Type 4 – A candidate’s committee for a candidate seeking election to a public office at the county, city, school, or other political subdivision level.

Type 5 – A political committee that expressly advocates for or against multiple candidates for county, city, school, or other political subdivision office. This type of committee is referred to as a county PAC.

Type 6 – A political committee that expressly advocates for or against a ballot issue, franchise or referendum conducted for a county, city, school, or other political subdivision ballot question. This type of committee is referred to as a local ballot issue committee.

Type 7 – A county or city statutory political committee. This type of committee is referred to as a county/city central committee.

**4.3(2) *Party affiliation.*** A candidate’s committee is deemed to be established to expressly advocate the election of a candidate for public office. Each candidate’s committee shall designate the political affiliation of the candidate. Any other committee shall designate that it is either established to expressly advocate the election or defeat of candidates or the passage or defeat of a ballot issue.

This rule is intended to implement Iowa Code section 56.5.

**351—4.4(56,68B) Information required: officers; committee information; signatures.**

**4.4(1) *Committee officers.*** The committee shall disclose on the statement of organization the name, mailing address, telephone number, and office of each committee officer. Each candidate’s committee shall appoint a treasurer who shall be an Iowa resident and at least 18 years of age. A candidate’s committee may also appoint a committee chairperson who is not limited by residency or age. Every other committee shall appoint a separate treasurer and chairperson, each of whom shall be at least 18 years of age. Except for a candidate’s committee, every committee shall either have an Iowa resident as treasurer or shall maintain all of the committee’s funds in bank accounts in a financial institution in Iowa.

**4.4(2) *Committee address and telephone number.*** The address and telephone number of the treasurer as indicated on the statement of organization shall be considered to be the official committee address and telephone number to be used for routine communication from the board to the committee.

**4.4(3) *Signatures.*** The candidate and treasurer shall sign the statement of organization filed by a candidate's committee. The chairperson and treasurer shall sign a statement of organization filed by any other type of committee. A statement of organization filed electronically using the board's Web site is deemed signed when filed.

This rule is intended to implement Iowa Code section 56.5.

**351—4.5(56,68B) Segregation and timely deposit of funds; information required: identification of financial institution, account name; notice to treasurer.**

**4.5(1) *Segregation and deposit of funds.*** All committee funds shall be maintained in a financial institution and shall be segregated from any other funds held by a candidate, officer, member, or associate of the committee. The committee treasurer shall deposit all contributions within seven days of receipt by the treasurer in an account maintained by the committee.

**4.5(2) *Exception from segregation of committee funds.*** A candidate's committee that receives contributions only from the candidate is not required to maintain a separate account. A permanent organization temporarily engaging in activity that qualifies it as a political committee that uses existing general operating funds and does not solicit or receive funds from other sources for campaign purposes is not required to maintain a separate account.

**4.5(3) *Identification of financial institution and account.*** The committee shall disclose on the committee's statement of organization the name and mailing address of all financial institutions in which committee funds are maintained. The committee shall also disclose the name and type of all accounts in which committee funds are maintained, and the name of any such account shall be the same as the committee name on the statement of organization.

**4.5(4) *Notice to treasurer.*** Any person who receives contributions for a committee shall render the contributions to the treasurer within 15 days of receipt and provide the committee treasurer with the reporting information required by Iowa Code section 56.3(2).

This rule is intended to implement Iowa Code sections 56.3 and 56.5.

**351—4.6(56,68B) Amendments to statement of organization; requirement for new statement of organization for new office sought.**

**4.6(1) *Amendment within 30 days.*** If there is a change in any of the information disclosed on a statement of organization, the committee shall file an amended statement within 30 days of the change. An amended statement of organization shall be filed with the board and the board shall make available to the appropriate county commissioner of elections an amended statement filed by a county, city, school, or other political subdivision committee.

**4.6(2) *New office sought.*** A candidate who filed a statement of organization for one office but eventually seeks another office may file an amended statement of organization to reflect the change in office sought in lieu of dissolving the old committee and organizing a new committee. A candidate who files an amended statement of organization reflecting a change in office sought may be required to amend the committee's name to comply with Iowa Code section 56.5(2)"a" and rule 351—4.2(56,68B).

This rule is intended to implement Iowa Code section 56.5.

DIVISION II  
REPORTING AND FINANCIAL TRANSACTION REQUIREMENTS

**351—4.7(56,68B) Disclosure reporting required; information on initial report; minimum filing if no activity.**

**4.7(1) *Disclosure reporting required.*** Every committee that has filed a statement of organization under Iowa Code section 56.5 and rule 351—4.1(56,68B) shall file a campaign disclosure report summary page (Form DR-2) and any appropriate disclosure reporting schedules or shall file a voluntary committee statement as provided in rule 351—4.11(56,68B). Either the disclosure reporting information or the voluntary committee statement shall be filed on or before the due dates required under Iowa Code section 56.6 and rule 351—4.9(56,68B).

**4.7(2) *Information on initial report.*** The first disclosure report filed by a committee shall include the relevant financial information covering the period from the beginning of the committee's financial activity through the end of the current reporting period.

**4.7(3) *Funds available from prior committee.*** If funds are available to a candidate's committee from a prior candidacy of that candidate, or to a ballot issue committee from a prior effort on a ballot issue, and the prior candidacy or effort had not exceeded the financial reporting threshold, the carry-over balance shall be disclosed by the new committee. The disclosure shall be made on Schedule A - Contributions and shall include the amount of the carryover, the date of the prior election, and the name and address of any source that made contributions to the candidacy or ballot effort that totaled more than \$750 during the preceding three calendar years.

**4.7(4) *Funds available from preballot issue activity.*** Funds that are raised for an activity that is not included in the definition of a ballot issue in Iowa Code section 56.2(1) and that are made available to a subsequent ballot issue committee shall be disclosed by the committee. The disclosure shall be made on Schedule A - Contributions and shall include the amount of the carryover balance, the date of the preballot issue activity, and the name and address of any source that made contributions to the activity that totaled more than \$750 during the previous three calendar years.

**4.7(5) *No financial activity during reporting period.*** A committee that did not have any financial activity during the relevant reporting period for which a disclosure report is due shall be required to file only Form DR-2. However, if the committee had previously disclosed debts or loans, those obligations shall again be disclosed on either Schedule D - Incurred Indebtedness or Schedule F - Loans Received and Repaid, as appropriate, and the schedule or schedules shall be included with Form DR-2. A candidate's committee that has reportable campaign property under Iowa Code section 56.43 shall disclose the property on Schedule H - Campaign Property and the schedule shall be included with Form DR-2.

This rule is intended to implement Iowa Code section 56.6.

**351—4.8(56,68B) Disclosure reporting required—where reports filed.**

**4.8(1) *Place of filing.*** Disclosure reports shall be filed with the board at 514 E. Locust, Suite 104, Des Moines, Iowa 50309. Reports may also be filed by fax at (515)281-3701, or electronically through the board's Web site at [www.iowa.gov/ethics](http://www.iowa.gov/ethics).

**4.8(2) *Reports made available to county commissioner.*** The board shall make available to the appropriate county commissioner of elections reports filed by a county, city, school, or other political subdivision committee. The board shall make available to the appropriate county commissioner of elections the report summary page (DR-2) and the relevant pages of a report filed by a political committee that makes contributions to both state and local committees.

**4.8(3) *Availability of reports.*** The board shall make the reports in subrule 4.8(2) available to the appropriate county commissioner of elections electronically via the board's Web site at [www.iowa.gov/ethics](http://www.iowa.gov/ethics). A county commissioner of elections who establishes an Internet link between a public computer in the commissioner's office and the board's Web site shall be deemed in compliance with the requirement in Iowa Code section 56.4(2) to retain the reports.

This rule is intended to implement Iowa Code sections 56.4 and 56.6.

**351—4.9(56,68B) Report due dates.****4.9(1) *Statewide and general assembly candidates' committees—covering election year.***

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
Friday preceding primary*	May 15 through Tuesday preceding primary*
July 19	May 15 or Wednesday preceding primary* through July 14
October 19	July 15 through October 14
Friday preceding general*	October 15 through Tuesday preceding general*
January 19 (next calendar year)	October 15 or Wednesday preceding general* through December 31 of election year

\*If supplementary report required because additional financial threshold surpassed. See subrule 4.9(4).

**4.9(2) *Statewide and general assembly candidates' committees—covering nonelection year.***

<u>Report due</u>	<u>Covering period</u>
January 19 (next calendar year)	January 1 through December 31 of nonelection year

**4.9(3) *Statewide and general assembly candidates' committees—covering special election.***

<u>Report due</u>	<u>Covering period</u>
14th day prior to election	Date of initial financial activity (or day after period covered by last report, if previous report filed) through 19 days prior to election
Friday preceding election*	18th day preceding election through Tuesday preceding election*

\*If supplementary report required because additional financial threshold surpassed. See subrule 4.9(4).

This schedule is in addition to reports which may be required under subrules 4.9(1) and 4.9(2) because of prior or continued existence of the committee.

**4.9(4) *Statewide and general assembly candidates' committees—election year supplemental reports.*** In addition to reports required under subrules 4.9(1) and 4.9(3), a supplemental report is required if contributions received during the period beginning on the date of initial financial activity (if no previous report was filed) or the day after the period covered by the last report (if a previous report was filed) through the Tuesday preceding the primary or general election equal or exceed the following thresholds:

<u>Office sought</u>	<u>Contribution threshold</u>
Governor	\$10,000 or more
Other statewide	5,000 or more
General assembly	1,000 or more

**4.9(5) *County candidates' committees—covering election year.***

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

**4.9(6) *County candidates' committees—covering nonelection year.***

<u>Report due</u>	<u>Covering period</u>
January 19 (next calendar year)	January 1 through December 31 of nonelection year

**4.9(7) Local candidates' committees, local ballot issue or franchise election committees, and slate committees—election year.**

<u>Report due</u>	<u>Covering period</u>
May 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through May 14
July 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through July 14
5 days prior to election**	Date of initial financial activity (or day after period covered by last report, if previous report filed) through 10 days prior to election
First of month after final election**	Date of initial financial activity (or day after period covered by last report, if previous report filed) to 5 days prior to due date
January 19 (next calendar year)	Date of initial financial activity (or day after period covered by last report, if previous report filed) through January 14 of filing year

\*\*The 5 days prior to the election due date may apply multiple times during a year, if there are primary or runoff elections in which a candidate's name is on the ballot, or if a ballot issue or franchise expressly advocated by a committee is on the ballot. The first of the month after final election report is required from a candidate's committee and slate committees supporting a candidate after the last election for that election cycle in which the candidate's name was on the ballot. For example, a candidate who is eliminated in a primary would owe the first of the month after final election report on the first of the month after the primary, but would not owe a 5 days prior to election report for the next election to determine the outcome of the contest for the office sought; whereas a candidate who was not eliminated by a primary election (or a general election triggering a runoff election) would owe a report 5 days prior to the general (or runoff) election, but would not owe a first of the month after final election report until the first of the month after the general (or runoff) election in which the final selection for the office sought is determined.

**4.9(8) Local candidates' committees, local ballot issue or franchise election committees, and slate committees—nonelection year.**

<u>Report due</u>	<u>Covering period</u>
January 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through January 14 of filing year
October 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through October 14

**4.9(9) Statewide or county PAC (all years).**

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19	October 15 through December 31

**4.9(10) State, county, or city statutory political committees (central committees)—election year.**

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

**4.9(11)** *State, county, or city statutory political committees (central committees)—nonelection year.*

Report due

Covering period

October 19

January 1 through October 14

January 19 (next calendar year)    October 15 through December 31 of nonelection year

**4.9(12)** *Definition of “election year.”* An “election year” refers to the year that the candidates or ballot issue appears on any election ballot.

This rule is intended to implement Iowa Code section 56.6.

**351—4.10(56,68B) Time of filing.** A report must be physically received by the board or, if mailed, must bear a United States Postal Service postmark dated on or before the report due date. Faxed or electronically filed reports must be submitted on or before 11:59 p.m. of the report due date. If the due date falls on a Saturday, Sunday, or holiday on which the board office is closed, the due date is extended to the first working day when the board office is open.

This rule is intended to implement Iowa Code section 56.6.

**351—4.11(56,68B) Exception from reporting requirement—voluntary reports.**

**4.11(1)** *Entities which have not passed financial threshold.* An entity which is not subject to the Iowa campaign disclosure law because it has not yet exceeded the \$750 financial threshold, as defined in subrule 4.1(1), but which files a statement of organization which indicates the express advocacy of the election or defeat of candidates or the express advocacy of the passage or defeat of a ballot issue shall be referred to as a “voluntary committee.” A “voluntary committee” will not be considered to be delinquent for failure to comply with filing deadlines unless the entity later becomes subject to the mandatory filing of reports because it has exceeded the financial threshold. If the entity remains under the financial threshold, any documents filed by the entity shall be marked as “voluntary” and kept in the active committee files until: (1) the entity files a notice of dissolution; (2) the entity files a signed statement indicating that the “voluntary committee” has discontinued the use of its funds for political purposes, and that the financial threshold was not and will not be exceeded during the calendar year; or (3) the board orders the committee’s file to be removed from the active committee files and placed in the inactive committee files. Upon receipt of an initial report from the entity indicating that the financial threshold has not yet been exceeded, or upon receipt of an initial signed statement from the committee indicating that a report will not be filed because the threshold has not been exceeded, the board staff shall notify the “voluntary committee” of the provisions and requirements of this subrule and subrule 4.11(2).

**4.11(2)** *Statements required from “voluntary committee.”* A “voluntary committee” within the meaning of subrule 4.11(1) shall provide a signed statement to the board or commissioner, as appropriate, for each reporting period which occurs after the filing of the statement of organization, which attests that the “voluntary committee” has not exceeded the financial threshold through the end of the reporting period. A “voluntary committee” which fails to provide this statement shall be presumed to have exceeded the financial threshold and owe a disclosure report and may become subject to penalties pursuant to 351—Chapter 6.

**4.11(3) *Entities which support or oppose public policy or legislative issues.*** An entity which is not subject to the Iowa campaign disclosure law because it has not yet exceeded the \$750 financial threshold, as defined in subrule 4.1(1), but which files a statement of organization which does not indicate the express advocacy of candidates or a ballot issue, but rather indicates support or opposition of a public policy or legislative issue shall be referred to as an “issue advocacy committee.” Documents filed by an entity which is an “issue advocacy committee” shall be marked as “voluntary” but shall not be maintained with open or inactive committee files, nor shall the entity be considered to be delinquent for failure to comply with filing deadlines. Upon receipt of a statement of organization from an “issue advocacy committee,” the board staff shall notify the entity that it is not subject to the campaign disclosure law and that reports from the entity will not be maintained with political committee files.

This rule is intended to implement Iowa Code sections 56.5 and 56.6.

**351—4.12(56,68B) Exception from reporting requirement—reports due within five days of one another.** When two disclosure reports are due from the same committee within five days of each other, the activity may be combined into one report. A committee choosing this option shall file a report on or before the second due date that covers the extended reporting period.

This rule is intended to implement Iowa Code section 56.6.

**351—4.13(56,68B) Report forms—summary page (DR-2) and supporting schedules.** The board may require committees to submit relevant information not specifically delineated in Iowa Code chapter 56 on their disclosure report where the report form asks for and leaves space for information. All information shall be pertinent to the duties of the board.

**4.13(1) *Official reporting forms.*** The disclosure reporting forms provided by the board shall be the official forms on which the disclosure reports shall be submitted. Machine copies of original report forms are acceptable. The standard forms for campaign disclosure reports are:

- DR-2 — Disclosure Summary Page
- Schedule A — Monetary Receipts
- Schedule B — Monetary Expenditures
- Schedule C — (Reserved)
- Schedule D — Incurred Indebtedness
- Schedule E — In-kind Contributions
- Schedule F — Loans Received and Repaid
- Schedule G — Consultant Activity
- Schedule H — Campaign Property

**4.13(2) *Computer-generated reports.*** Committees may generate a disclosure report in lieu of using a board-approved paper report or the board’s electronic filing system so long as the generated report contains the same information and is in the same basic format as a board-approved paper report. Committees generating their own reports must submit the reports for prior board approval before use.

**4.13(3) *Typewritten or legible ink reports required.*** Information which is provided on all forms shall be either typewritten or printed legibly in black ink. Approved computer-generated reports satisfy this requirement.

**4.13(4) *Special information required for city, school, or local ballot issue elections.*** Committees expressly advocating the election or defeat of a candidate for city or school public office, or expressly advocating the passage or defeat of a local ballot issue, shall indicate in the designated spaces on the report summary page the date that the election is to be held, the period covered by the disclosure report, and the control county responsible for conducting the election.

**4.13(5) *Signature on DR-2 Report Summary Page.*** A disclosure report shall be signed by the individual filing the report. A disclosure report filed electronically using the board’s Web site is deemed signed when filed.

This rule is intended to implement Iowa Code sections 56.6 and 56.7.



**351—4.14(56,68B) Schedule A - Monetary Receipts.**

**4.14(1) *Reporting of all monetary receipts; chronological or alphabetical listings.*** The committee shall report the amounts of all monetary receipts which are accepted by the committee during the reporting period. If a contribution is returned to a contributor prior to the end of the reporting period and is not deposited into the committee's bank account, the contribution is deemed to have been rejected and shall not be reported. A contribution which is physically received and either deposited into the committee's account or not returned by the end of the reporting period is deemed to have been accepted. The schedule entries shall be listed in either chronological or alphabetical order by name of contributor.

**4.14(2) *Date of contribution—date received.*** The schedule shall include the complete date (month/day/year) that the contribution was physically received by a person on behalf of the committee. If the contribution is by check, the date of the contribution to be reported is the date the check is physically received by a person on behalf of the committee, even if this date is different from the date shown on the check. For contributions received by mail, the date of the contribution to be reported shall be the date that the recipient physically opens the envelope.

**4.14(3) *Name and address of contributor; joint accounts.*** The schedule shall include the name and address of each person who has made one or more contributions of money to the committee if the aggregate amount of contributions (either monetary or in-kind) received from that person in the calendar year exceeds \$25, except that the itemization threshold is \$200 for a state statutory political committee and \$50 for a county statutory political committee. In the case of a contribution by check, the contributor name on the disclosure report shall be the name shown as the account name on the account, except that if the check is on a joint account, the contribution shall be presumed to be from the person who signs the check. If the committee chooses to itemize contributions that are less than the required itemization threshold, it may do so, but shall either do so for all contributions or none of the contributions under the threshold.

**4.14(4) *Unitemized contributions and freewill donations.*** If the committee does not choose to itemize all contributions under the itemization threshold (\$25 for most committees, see Iowa Code section 56.6(3) "b"), it shall aggregate these contributions and report the aggregate amount as "unitemized contributions." No date received is required to be provided for miscellaneous unitemized contributions. Unitemized contributions may be solicited and received through a freewill donation such as a "fish bowl" or "pass the hat" collection if the collection is in compliance with rule 351—4.30(56,68B). Unitemized contributions collected through freewill donations (the net amount of the collection after the itemization of those persons whose contributions of more than \$10 in the freewill collection resulted in exceeding the annual itemization threshold) shall be reported by showing the net amount as "unitemized contributions—pass the hat (or can collection or fish bowl, for example) collection." The "date received" to be reported for a freewill donation is the date a representative of the committee takes possession of the proceeds of the collection.

**4.14(5) Relationship to candidate.** In the case of contributions to candidates' committees, the schedule shall include information indicating whether the contributor is related to the candidate within the third degree of consanguinity or affinity. "Consanguinity" means a relative through descent from common ancestors (by blood). "Affinity" means a relative through a current marriage. A husband has the same relation, by affinity, to his wife's blood relatives as she has to them by consanguinity and vice versa. "Degree of kinship" is determined by counting upward from one of the persons in question to the nearest common ancestor, and then down to the other person, calling it one degree for each generation in the ascending as well as the descending line. Under this rule, a woman's sister is related to her by consanguinity in the second degree. The sister is thus related to the woman's husband by affinity in the second degree. Other examples of relationships within the third degree between a contributor and a candidate would be the following: children and stepchildren (first degree); siblings and half-siblings (second degree); grandparents (second degree); grandchildren (second degree); aunts and uncles (third degree); nieces and nephews (third degree); great-grandparents (third degree) and great-grandchildren (third degree), all irrespective of whether the blood relationship is to the candidate or to the candidate's spouse.

**4.14(6) PAC ID number and PAC check number.** If a monetary contribution to a statewide or general assembly candidate is from a political committee other than a statutory committee (i.e., from a PAC), the candidate's committee receiving the contribution shall include in the spaces provided the board-assigned identification number of the contributing PAC and the PAC check number by which the contribution was made. A list of PAC ID numbers may be obtained from the board.

**4.14(7) Fund-raiser income.** Contributions arising from the sale of goods or services at a fund-raising event shall be designated by marking the indicated space on the schedule.

**4.14(8) Interest and other monetary receipts other than contributions.** If the monetary receipt is not a "contribution," the name and address of the source of the funds shall be identified in the space provided for the name and address of "contributor," with a notation as to the purpose of the payment, such as "bank interest."

**4.14(9) Reverse entries—refunds.** If a committee determines to decline or otherwise return a contribution after it has been received, accepted, and deposited, the committee may issue a refund to the contributor, which shall be reported on Schedule A as a reverse entry, reducing the monetary receipts.

This rule is intended to implement Iowa Code section 56.6.

### **351—4.15(56,68B) Schedule B - Monetary Expenditures.**

**4.15(1) Date expended.** The committee shall report the amounts of all itemized expenditures (expenditures of \$5 or more) made by the committee for the reporting period chronologically by the date expended. The date of the expenditure is the date the check is issued. The complete date (month/day/year) shall be provided.

**4.15(2) Name and address of recipient.** The schedule shall include the name and address of each person to whom disbursements, other than loan repayments, were made during the reporting period. (Loan repayments shall be reported on Schedule F.)

**4.15(3) Purpose of expenditure.** The schedule shall include a description of the purpose of each disbursement. The description shall be a clear and concise statement that specifically describes the transaction which has occurred. The following general terms are examples of descriptions which are not acceptable: "expenses," "reimbursement," "candidate expense," "services," "supplies," and "miscellaneous expense." The following are examples of acceptable descriptions: "printing—candidate yard signs," "printing—PAC membership solicitation letter," "mailing—candidate brochures," "reimbursement for candidate lodging to attend campaign event," or "mileage reimbursement—150 miles @ 25¢ per mile." A combined description is not acceptable unless sufficient information is provided so that the cost of separate purposes can be discerned, for example, "printing and mailing of 1,000 brochures."

**4.15(4) *Miscellaneous (unitemized) expenses.*** Notwithstanding the other provisions of this rule, disbursements of less than \$5 may be shown as miscellaneous disbursements or expenses for the period so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed \$100.

**4.15(5) *Candidate ID number and PAC check number.*** If a contribution is made by a political committee other than a statutory committee (i.e., by a PAC) to a statewide or general assembly candidate, the PAC making the contribution shall include in the spaces provided the board-assigned identification number of the recipient candidate's committee and the PAC check number by which the contribution was made. A list of candidate ID numbers may be obtained from the board.

**4.15(6) *Check transactions required.*** All disbursements, including all expenditures and any other withdrawals from committee funds, shall be by check. Cash withdrawals and "petty cash" accounts are not permitted. Committees' activities which necessitate cash drawers or other cash transactions shall be conducted and reported as provided by rule 351—4.36(56,68B).

**4.15(7) *Reverse entries—refunds.*** If a committee receives a refund of all or part of a disbursement previously made, the committee shall report the refund on Schedule B as a reverse entry, reducing the monetary expenditures. The purpose should include an explanation as to why the refund was made.

**4.15(8) *Interest paid; bank charges.*** Although repayments of loan principal are reported on Schedule F (see rule 351—4.18(56,68B)), interest payments on loans shall be reported on Schedule B. Bank service charges and fees (e.g., monthly service fees, costs for check printing, returned check charges) shall also be reported and identified on Schedule B.

This rule is intended to implement Iowa Code section 56.6.

#### **351—4.16(56,68B) Schedule D - Incurred Indebtedness.**

**4.16(1) *Reporting of debts and obligations other than monetary loans.*** The committee shall report all debts and obligations owed by the committee which are in excess of the thresholds in subrule 4.14(3). This applies to any unpaid debt or obligations incurred by the committee for the purchase of a good or service, either as a debt or obligation owed to the immediate provider of the good or service, or as a debt or obligation owed to an individual who initially personally paid for the good or service on behalf of the committee with the expectation of ultimately receiving reimbursement from the committee. However, monetary loans to the committee (which are deposited directly into the committee's account) shall be reported on Schedule F, not on Schedule D.

**4.16(2) *Date incurred; balance owed.*** The committee shall report the amounts of all indebtedness owed by the committee at the end of the reporting period, reported chronologically by the date incurred. The date the debt or obligation is incurred is the date on which the committee committed to obtaining the good or service underlying the obligation. This date may be earlier than the date the provider of the good or service issues a bill to the committee. For example, if the committee places a printing order, but the printer does not issue a bill until some time after the order is placed, the date which shall be reported as the date the debt was incurred is the date the order is placed, not the date the bill was issued. If the precise amount of the final bill is not known by the time the report is due, the committee shall provide its best estimate as to what the obligation will be, with an indication "(e)" that the amount reported is an estimate. The complete date (month/day/year) shall be provided. Debts and obligations incurred and reported in a prior reporting period but which remain unpaid as of the end of the current reporting period shall be included, showing the remaining balance on the obligation, as well as any new obligations incurred in the current reporting period. Payments of all or part of a previously reported obligation shall be reported as expenditures on Schedule B.

**4.16(3)** *Name and address of person to whom the debt or obligation is owed.* The schedule shall contain the name and address of each person to whom an obligation is owed, including both those obligations which were incurred during the reporting period and those outstanding obligations which are being carried forward from prior reports. If the obligation is owed to an individual who initially personally paid for the good or service on behalf of the committee with the expectation of ultimately receiving reimbursement from the committee, the original nature of the obligation shall be provided; the name and address of the original provider of the good or service shall also be provided, unless the nature of the obligation indicates that the obligation is for the anticipated reimbursement for mileage or postage stamps.

**4.16(4)** *Nature of obligation.* The schedule shall include a description of the nature of each obligation. The description shall be a clear and concise statement that specifically describes the transaction which has occurred. The following general terms are examples of descriptions which are not acceptable: “expenses,” “reimbursement,” “candidate expense,” “services,” “supplies,” and “miscellaneous expense.” The following are examples of acceptable descriptions: “printing—candidate yard signs,” “printing—PAC membership solicitation letter,” “mailing—candidate brochures,” “anticipated reimbursement for candidate lodging to attend campaign event,” or “anticipated mileage reimbursement—150 miles @ 25¢ per mile.” A combined description is not acceptable unless sufficient information is provided so that the cost of separate purposes can be discerned, for example, “printing and mailing of 1,000 brochures.”

This rule is intended to implement Iowa Code section 56.6.

### **351—4.17(56,68B) Schedule E - In-kind Contributions.**

**4.17(1)** *Reporting of all in-kind contributions; chronological or alphabetical listings.* The committee shall report the amounts of all in-kind contributions which are accepted by the committee during the reporting period. The schedule entries shall be listed in either chronological or alphabetical order by name of contributor.

**4.17(2)** *Date of contribution—date received.* The schedule shall include the complete date (month/day/year) on which the in-kind contribution was physically received by a person on behalf of the committee.

**4.17(3)** *Name and address of contributor.* The schedule shall include the name and address of each person who has made one or more in-kind contributions to the committee if the aggregate amount of contributions (either monetary or in-kind) received from that person in the calendar year exceeds \$25, except that the itemization threshold is \$200 for a state statutory political committee and \$50 for a county statutory political committee.

**4.17(4)** *Relationship to candidate.* In the case of in-kind contributions to candidates’ committees, the schedule shall include information indicating whether the contributor is related to the candidate within the third degree of consanguinity or affinity, as defined in subrule 4.14(5).

**4.17(5)** *Description of in-kind contribution; loaned equipment as in-kind contribution.*

*a.* The schedule shall include a description of the good or service contributed to the committee in kind. The description shall be a clear and concise statement that specifically describes the transaction which has occurred.

*b.* A committee’s use of equipment owned by another organization, committee, or individual is reportable as an in-kind contribution. Equipment includes, but is not limited to, typewriters, calculators, copy machines, office furniture, computers and printers.

**4.17(6)** *Fair market value.* The committee shall provide either the actual (if known) or estimated fair market value of the good or service received.

**4.17(7)** *Fund-raiser item.* Goods or services contributed in kind for sale at a fund-raising event shall be designated by marking the indicated space on the schedule.

**4.17(8)** *Unitemized contributions.* Notwithstanding the other provisions of this rule, in-kind contributions with a fair market value less than the itemization threshold noted in subrule 4.17(3) may be reported as “unitemized in-kind contributions.”

This rule is intended to implement Iowa Code section 56.6.

**351—4.18(56,68B) Schedule F - Loans Received and Repaid.**

**4.18(1)** *Reporting of monetary loans (not debts and obligations for goods and services).* The committee shall report all loan activity made to or repaid by the committee during the reporting period. This applies to any loan of money which is deposited into the committee's accounts. However, other debts and obligations owed for the provision of goods or services to the committee (which are not monetary advances deposited into the committee's account) shall be reported on Schedule D, not on Schedule F.

**4.18(2)** *Report of lump sum of unpaid loans carried over from last report.* The schedule shall contain a beginning entry of the total unpaid loans as of the last report. Loans received and itemized on prior reports should not be re-itemized on the current report, except as necessary to indicate repayment activity.

**4.18(3)** *Date received.* The schedule shall include the complete date (month/day/year) the loan was physically received by a person on behalf of the committee. If the loan was by check, the date of the loan to be reported is the date the check is physically received by a person on behalf of the committee, even if this date is different from the date shown on the check.

**4.18(4)** *Date paid.* The schedule shall include the complete date (month/day/year) a full or partial loan repayment is made by the committee. The date of the repayment is the date the check is issued. Full or partial loan repayments shall be shown on this schedule and should not be reported on Schedule B. However, loan interest payments shall be reported on Schedule B (see rule 351—4.15(56,68B)) and not on Schedule F. Loans which may be and are forgiven in full or in part are considered in-kind contributions and shall be itemized on Schedule E, with a cross-reference entry in the space provided on Schedule F.

**4.18(5)** *Name and address of lender.* The schedule shall include the name and address of each person who has made one or more loans of money to the committee during the reporting period, or to whom the committee makes a full or partial loan repayment during the reporting period. If the person who made the loan to the committee is not the original source of the money, when the original source of the money is a third party (such as a bank which loans money to an individual who loans it to the committee) or if a third party has personally paid and assumed a loan from the original lender (such as an individual who pays off the loan to the bank with the expectation of receiving the loan repayment from the committee), the report shall also identify the name and address of the third party.

**4.18(6)** *Relationship to candidate.* In the case of monetary loans to candidates' committees, the schedule shall include information indicating whether the lender is related to the candidate within the third degree of consanguinity or affinity, as defined in subrule 4.14(5).

This rule is intended to implement Iowa Code section 56.6.

**351—4.19(56,68B) Schedule G - Breakdown of Monetary Expenditures by Consultants.** A candidate's committee which enters into a contract with a consultant for future or continuing performance shall be required to report expenditures made to the consultant and the nature of the performance of the consultant which is expected to be received by the candidate's committee. A candidate's committee is required to report in Part 1 of Schedule G any contracts with consultants which it has negotiated, the complete name and address of the consultant, the period of time in which the contract is in effect, and estimates of performance to be derived from the contract. Expenditures made to the consultant during a reporting period shall be reported with all other expenditures on Schedule B, and debts incurred with the consultant during the reporting period shall be reported with all other debts on Schedule D. Additionally, a detailed breakdown of the expenditures made by the consultant shall be reported by the candidate's committee in Part 2 of Schedule G and shall include the date of the expenditure, the purpose of the expenditure and the amount of the expenditure. The description of the purpose of the expenditure shall be consistent with the provisions of subrule 4.15(3).

For purposes of this rule, “contract” means an oral or written agreement between two parties for the supply or delivery of specific services in the course of the campaign. “Performance” means the execution or fulfillment of the contractual agreement. “Nature of performance” means a clear description of the specific services received or benefit derived as the result of a contract with a consultant. “Estimate of performance” means a clear description of the expected services the candidate reasonably expects to be received or benefit to be derived during the period of the contract.

This rule is intended to implement Iowa Code sections 56.2 and 56.6.

**351—4.20(56,68B) Schedule H - Campaign Property.**

**4.20(1) *Ongoing inventory.*** Equipment, supplies, or other materials purchased with campaign funds or received in kind are campaign property. Campaign property, other than consumable campaign property, with a value of \$500 or more when acquired by the committee shall be listed on the inventory section of the schedule. The property shall be listed on each report until it is disposed of by the committee or its residual value falls below \$100 and the property is listed once as having a residual value of less than \$100. “Consumable campaign property” means stationery, yard signs, and other campaign materials that have been permanently imprinted to be specific to a candidate or election. For property purchased by the committee, the date purchased shall be the earlier of the date the committee attained physical possession of the property or the date the committee issued payment for the property. For in-kind contributions, the date received shall be the date on which the committee attained physical possession of the property. The committee shall provide the complete date (month/day/year). The schedules shall include the purchase price of property purchased by the committee and the actual or estimated fair market value of property received as an in-kind contribution, as well as the actual or estimated current fair market value of the property at the end of the current reporting period.

**4.20(2) *Sales or transfers of campaign property.*** The schedule shall include information regarding the sale or transfer of campaign property, other than consumable campaign property, which occurred during the current reporting period. The information shall include the complete date of the transaction (month/day/year), the name and address of the purchaser or donee, and a description of the property. If the property is sold, the information shall include the sales price received; if the property is donated, the information shall include the fair market value of the property at the time of the transfer.

This rule is intended to implement Iowa Code section 56.6 and section 56.43 as amended by 2003 Iowa Acts, House File 601, section 8.

**351—4.21(56) Reconciled bank statement required with January report and final report.**

**4.21(1)** A committee that participates in an election at the state level and that is required by Iowa Code section 56.6 to file a disclosure report on or before January 19 of each year shall attach to or submit with that disclosure report a copy of the committee’s bank statement that includes activity through December 31 of the year reported.

**4.21(2)** A committee that participates in an election at the county, city, school, or other political subdivision level and that is required by Iowa Code section 56.6 to file a disclosure report on or before January 19 of each year is not required to attach or submit a copy of the committee’s bank statement unless requested to do so by the board. If such a committee is requested to file the bank statement, the committee shall comply with the requirements of rule 351—4.21(56).

**4.21(3)** If the bank statement cycle is such that the committee has not received the statement including activity through December 31 by the date for filing the January report, the committee shall separately file or submit the bank statement within ten days after receipt of the statement by the committee.

**4.21(4)** The committee shall include a reconciliation to justify outstanding checks and other discrepancies between the ending balance on the bank statement and the ending balance on the disclosure report.

**4.21(5)** A committee that files a final disclosure report shall comply with the requirements of sub-rule 4.54(3) concerning the filing of a final bank statement.

**4.21(6)** A committee seeking a waiver from the requirements of this rule may do so in accordance with 351—Chapter 15.

This rule is intended to implement Iowa Code section 56.6.

**351—4.22(56,68B) Verification of reports; incomplete reports.**

**4.22(1)** The board staff will review and desk audit each disclosure report. The board may contact other parties to verify the accuracy and completeness of the reports. The board may contact a representative of the committee and may contact other parties to determine the authenticity of information provided about filed reports.

**4.22(2)** If, upon review, board staff determine that a committee's report is incomplete because required information has been omitted or has been incorrectly reported, the staff shall communicate the deficiencies to the committee. A failure to satisfactorily respond to or to remedy the error or omission may be grounds for a violation of Iowa Code section 56.6 as a failure to file a report which conforms to the requirements of that provision.

This rule is intended to implement Iowa Code sections 56.6 and 68B.32A.

**351—4.23(56,68B) Amendment—statements, disclosure reports and notices.** A committee may amend a previously filed statement of organization, disclosure report or notice of dissolution. To amend a previously filed statement, report or notice, the committee shall file an amended document on the approved form and shall designate on the form in the space provided, if applicable, that the document being filed is an amendment to a previously filed statement, report or notice. The term "amended document" as used in this rule shall mean a document on forms issued by the board which includes only the information which is being added, deleted or changed from a previously filed statement of organization or notice of dissolution.

This rule is intended to implement Iowa Code section 56.6.

**351—4.24 Reserved.**

**351—4.25(56,68B) Legitimate expenditures of campaign funds.**

**4.25(1)** Expenses which may be paid from campaign funds for campaign purposes include, but are not limited to, the following items so long as the items promote or enhance the candidacy of the candidate:

- a. Electronic media advertising, such as radio, cable television and commercial television.
- b. Published advertising, such as newspaper, magazine, newsletter and shopper advertising.
- c. Printed promotional materials, such as brochures, leaflets, flyers, invitations, stationery, envelopes, reply cards, return envelopes, campaign business cards, direct mailings, postcards and "cowboy" political cards.
- d. Political signs, such as yard signs, car signs, portable outdoor advertising, stationary outdoor advertising and billboards.
- e. Political advertising specialty items, such as campaign buttons, campaign stickers, bumper stickers, campaign pins, pencils, pens, matchbooks, balloons, scratch pads, calendars, magnets, key chains, campaign caps and T-shirts.
- f. Travel and lodging expenses of the campaign workers for campaign purposes and political party activities. Travel and lodging expenses for a candidate to attend a national political party convention are also permitted.
- g. Contributions to political party committees.

*h.* Payment for fund-raiser tickets for meals for events sponsored by a nonparty political committee or by another candidate's committee that the candidate actually attends provided that the payment for the meal is limited to the actual cost of the ticket or \$25, whichever is less. If a candidate determines that attendance by one guest would promote or enhance the candidacy, a ticket for the guest's meal is a legitimate campaign expense, provided that the candidate and guest actually attend, and that payment for each meal is limited to the cost of a ticket or \$25, whichever is less.

*i.* General campaign expenditures, such as printing, copy machine charges, office supplies, campaign photographs, gambling permits, fund-raiser prizes, postage stamps, postage meter costs, bulk mail permits, telephone installation and service, facsimile charges, and computer services. However, the purchase or rental of formal wear to attend a political event is not a permissible general campaign expenditure.

*j.* Purchase or lease of campaign equipment, such as copy machines, telephones, facsimile machines, computer hardware, software and printers.

*k.* Purchase or lease of campaign office space, parking lots or storage space and the payment for campaign office utilities and maintenance.

*l.* Payment of salaries, fringe benefits and payroll taxes of paid campaign staff.

*m.* Payment for check printing and financial institution banking service charges.

*n.* Lease or rental of a campaign vehicle, provided that a detailed trip log which provides dates, miles driven, destination and purpose is maintained, and that noncampaign miles are reimbursed to the committee at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. However, the purchase of a campaign vehicle is prohibited.

*o.* Reimbursement to candidates and campaign workers for mileage driven for campaign purposes in a personal vehicle, provided that a detailed trip log which provides dates, miles driven, destination and purpose is maintained, and that reimbursement is paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code.

*p.* Payment for food expenses and supplies for campaign-related activities, such as the purchase of food, beverages and table service for fund-raising events or campaign volunteers. However, except as provided in paragraph "*h*," the purchase of tickets for meals or fund-raising events for other candidates is prohibited, and the purchase of groceries for the candidate or candidate's family is also prohibited. Payment for meals for the candidate (other than those involving tickets for fund-raiser events as addressed in paragraph "*h*") is permitted as an allowable expenditure for campaign purposes if the meal was associated with campaign-related activities.

*q.* Payment of civil penalties and hearing costs assessed by the board.

*r.* Payment for the services of attorneys, accountants, consultants or other professional persons when those services relate to campaign activities.

*s.* Subscriptions to newspapers and periodicals that circulate within the area represented by the office that a candidate is seeking or holds, that contain information of a general nature about the state of Iowa, or that contain information useful to all candidates such as The Wall Street Journal and Roll Call. Candidates who are unsure whether a subscription is permissible shall seek guidance from the board prior to paying for the subscription with campaign funds.

*t.* Membership in service organizations including a local chamber of commerce.

*u.* Repayment of campaign loans made to the committee. Candidates who make loans to their own committees shall not charge interest on the loans in excess of 5 percent.

*v.* Purchase of reports of other candidates and political committees so long as the reports' contents are not used for solicitation or commercial purposes.

*w.* Transfers of funds to charitable organizations which qualify for tax-exempt status under Section 501(c) of the Internal Revenue Service regulations.



- x. Contributions to federal, state, county and city political party committees.
- y. Refunds to contributors when a contribution has been accepted in error, or when a committee chooses to dispose of leftover funds by refunding them in prorated shares to the original contributors.
- z. Payments of cash not to exceed \$250 per person, or payments for items with a purchase price not to exceed \$250 per person, which are presented to committee workers in recognition of a worker's services to the committee for the most recent election cycle for which the committee was active. However, this does not preclude a committee from paying compensation to a committee worker after the close of the reporting period in which the work was performed, so long as an obligation to pay the compensation was reported for that reporting period.

aa. Expenses incurred with respect to an election recount as provided in Iowa Code section 50.48.

**4.25(2)** Expenses which may be paid from campaign funds for educational and other expenses associated with the duties of office include, but are not limited to, the following items:

a. Purchase or lease of office supplies and equipment, such as paper, copy machines, telephones, facsimile machines, computer hardware, software and printers.

b. Travel, lodging and registration expenses associated with attendance at an educational conference of a state, national, or regional organization whose memberships and officers are primarily composed of state or local government officials or employees. However, meal expenses are not allowable as expenses associated with the duties of office under any circumstances.

c. Meals and other expenses incurred in connection with attending a local meeting to which the officeholder is invited and attends due to the officeholder's official position as an elected official.

d. Purchases of small, incidental items such as pencils, pens, rulers and bookmarks provided to members of the public touring the offices of the state or a political subdivision. However, such items distributed on public property shall not expressly advocate the election or defeat of a candidate or the adoption or defeat of a ballot issue as prohibited in Iowa Code section 56.12A. For example, a bookmark bearing the state seal could be distributed on public property, while a bookmark that identified the donor as a candidate for office could not be distributed on public property.

e. Gifts purchased for foreign dignitaries when the officeholder is part of an official trip out of the country such as a trade mission or exchange program.

f. Printing of additional stationery and supplies above the standard allotment of the state or political subdivision.

**4.25(3)** Expenses which may be paid from campaign funds for constituency services include, but are not limited to, the following items:

a. Mailings and newsletters sent to constituents.

b. Polls and surveys conducted to determine constituent opinions.

c. Travel expenses incurred in communicating with members of an elected official's constituency, provided that a detailed trip log which provides dates, miles driven, destination and purpose is maintained, and that reimbursement is paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. However, meal expenses are not allowable as expenses associated with constituency services under any circumstances.

d. Holiday and other greeting cards sent to constituents.

This rule is intended to implement Iowa Code sections 56.40, 56.41, and 56.42.

**351—4.26(56,68B) Transfers between candidates.** Transfers of assets from one candidate's committee to another are not construed to be a violation of Iowa Code section 56.42 so long as the recipient candidate's committee pays the transferring committee the fair market value of the asset. Both candidates' committees shall be prepared to support the valuation of the asset with documentation.

This rule is intended to implement Iowa Code sections 56.6 and 56.42.

**351—4.27(56,68B) Transfers of funds and debts between multiple committees of the same candidate.** A candidate's committee is allowed to transfer its debts to another committee formed by the same candidate. The recipient committee is required to disclose the names and addresses of the creditors to whom such obligations are owed, as well as the amounts of the debts or loans, the dates they were incurred, and the nature of the obligations, as required by Iowa Code section 56.6(3).

This rule is intended to implement Iowa Code sections 56.6, 56.40 and 56.42.

**351—4.28(56) Prohibition on contributions and independent expenditures by foreign nationals.** As provided in Federal Election Commission regulation 11 CFR 110.20, a foreign national shall not, directly or indirectly, make a contribution or expenditure of money or other thing of value, or specifically promise to make a contribution, in connection with a state or local campaign or election in Iowa. A foreign national shall not, directly or indirectly, make a contribution to a campaign committee organized under Iowa Code chapter 56. Foreign nationals are also prohibited from making independent expenditures in relation to any state or local campaign or election in Iowa.

**4.28(1) Foreign national defined.** "Foreign national" means a person who is not a citizen of the United States and who is not lawfully admitted for permanent residence. "Foreign national" also includes a "foreign principal," such as a government of a foreign country or a foreign political party, partnership, association, corporation, organization, or other combination of persons that has its primary place of business in or is organized under the laws of a foreign country. "Foreign national" shall not include any person who is a citizen of the United States or who is a national of the United States.

**4.28(2) Acceptance of contributions and independent expenditures from foreign nationals.** No person shall knowingly accept or receive any contribution from a foreign national with regard to such person's election-related activities.

**4.28(3) Participation by foreign nationals in decisions involving election-related activity.** A foreign national shall not, directly or indirectly, participate in the decision-making process of any person, including a corporation, labor organization, political committee, or political organization, with regard to such person's election-related activities. Decisions including election-related activities include decisions involving the making of contributions, donations, or expenditures in connection with elections for state or local office or decisions involving the administration of a political committee.

This rule is intended to implement Iowa Code chapter 56.

**351—4.29(56,68B) Contributions by minors.** Persons under 18 years of age may make contributions to a candidate or political committee if all of the following conditions exist:

1. The decision to contribute is made knowingly and voluntarily by the minor;
2. The funds, goods, or services contributed are owned or controlled exclusively by the minor, such as income earned by the minor, the proceeds of a trust for which the minor is the beneficiary, or a savings account opened and maintained exclusively in the minor's name; and
3. The contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is not in any other way controlled by another person.

This rule is intended to implement Iowa Code section 56.13.

**351—4.30(56,68B) Funds from unknown source prohibited; subsequent identification of source; notice to contributors.**

**4.30(1) Anonymous contributions in excess of \$10 prohibited.** No person shall make a contribution in excess of \$10 to a committee without providing the person's name and address to the committee. The committee shall not maintain in any campaign account funds in excess of \$10 that cannot be accounted for and reconciled with the committee's disclosure reports.

**4.30(2) Escheat to the state.** Any contribution in excess of \$10 from an unknown source or campaign funds in excess of \$10 that cannot be accounted for and reconciled shall escheat to the state of Iowa as required by Iowa Code section 56.3A. A committee required to escheat shall escheat such funds by depositing the funds into the committee's campaign account and issuing a committee check to the general fund in the same amount. The committee check shall be sent to the board office at 514 E. Locust, Suite 104, Des Moines, Iowa 50309, for transmittal to the director of revenue and finance.

**4.30(3) Subsequent identification of source.** A committee discovering the source of any funds that have been escheated to the state may make an application to the board for a return of the funds if the following requirements are met:

- a. The committee has not dissolved;
- b. Documentation of the name and address of the source is provided;
- c. The amount requested to be returned is in excess of \$100; and
- d. The application is made within 90 days of the date of the deposit in the general fund of the state of Iowa.

**4.30(4) Notice at fund-raising event.** Pursuant to Iowa Code section 56.3A, a person requested to make a contribution at a fund-raising event shall be advised that it is illegal to make a contribution in excess of \$10 unless the person making the contribution also provides the person's name and address. Notice of the requirement to provide a person's name and address for a contribution in excess of \$10 may be made orally or in a written statement that is displayed at the fund-raising event.

This rule is intended to implement Iowa Code section 56.3A.

**351—4.31(56) Information required for a trust to avoid a contribution in the name of another person.** A contribution to a committee by a trustee solely in the name of the trust constitutes a contribution in the name of another person as prohibited in Iowa Code section 56.12 unless the recipient committee publicly discloses the contribution as provided in this rule.

**4.31(1) Living or revocable trust.** If the contribution involves a trust identified as a revocable trust or a living trust that does not file a separate trust tax return and whose federal tax ID number is the same as the social security number of the grantor who creates the trust and who is also a trustee, the contribution shall be reported by the recipient committee as being made by the "(name) revocable (or living) trust."

**4.31(2) Other trusts.** For a contribution involving a trust that does not qualify under subrule 4.31(1), the recipient committee shall identify the trust, the trustee, and the trustor.

**4.31(3) Registering a committee.** A trust, except for a living or revocable trust, that raises or spends more than \$750 for campaign activities shall register a political committee (PAC) and shall file disclosure reports. A trust, except for a living or revocable trust, that makes a one-time contribution in excess of \$750 may file Form DR-OTC in lieu of filing a statement of organization and filing disclosure reports.

This rule is intended to implement Iowa Code sections 56.6(6) and 56.12.

**351—4.32(56) Contributions from political committees not organized in Iowa.** Iowa committees may receive contributions from committees outside Iowa, and committees outside Iowa may contribute to Iowa committees provided the out-of-state committee complies with either subrule 4.32(1) or subrule 4.32(2).

**4.32(1) Regular filings.** Out-of-state committees may choose to comply with the regular disclosure filing requirements in Iowa Code sections 56.5 and 56.6 by filing a statement of organization and periodic disclosure reports.

**4.32(2) Verified statement of registration.** In lieu of filing a statement of organization and regular disclosure reports as required by Iowa Code sections 56.5 and 56.6, the out-of-state committee shall send a verified statement registration form (VSR) with each contribution in excess of \$50, and shall also file a copy with the board. The VSR shall contain the following information:

- a. The complete name, address and telephone number of the out-of-state committee;
- b. The state or federal agency with which the out-of-state committee is registered;
- c. All parent entities or other affiliates or sponsors of the out-of-state committee;
- d. The purpose of the out-of-state committee;
- e. The name, address and telephone number of an Iowa resident authorized to receive service on behalf of the out-of-state committee;
- f. The name and address of the Iowa recipient committee;
- g. The date and amount of the contribution, including description if the contribution is in-kind; and
- h. An attested statement that the jurisdiction with which the out-of-state committee is registered has reporting requirements substantially similar to those of Iowa Code chapter 56. The statement shall include confirmation that the contribution is made from an account that does not accept contributions prohibited by Iowa Code section 56.15 unless the contribution from the out-of-state committee is made to an Iowa ballot issue committee.

**4.32(3) Signature.** The VSR shall be signed by the individual filing the VSR on behalf of the out-of-state committee.

**4.32(4) Copy filed with the board.** A copy of every VSR filed with a contribution in excess of \$50 shall be filed with the board at 514 E. Locust, Suite 104, Des Moines, Iowa 50309, or by fax at (515)281-3701.

**4.32(5) When filed.** The VSR shall be filed with the board on or before the fifteenth day after the date of the contribution, or mailed bearing a United States Postal Service postmark dated on or before the fifteenth day after the date of the contribution. For purposes of this subrule, "date of the contribution" means the day, month, and year the contribution check is dated. If the board deems it necessary, a copy of any contribution check may be required to be filed with the board. When a copy of a check is required to be filed with the board, the copy shall be filed within ten days after notice by the board.

**4.32(6) Enhanced filing.** An out-of-state committee determining that the jurisdiction under which the committee is registered does not have reporting requirements substantially similar to those of Iowa Code chapter 56 may choose to comply by enhancing the committee's filing in the other jurisdiction. The enhanced filing shall meet the reporting requirements of Iowa Code chapter 56 for the reporting period during which contributions to Iowa committees are made. The report shall cover a period of at least one month. An out-of-state committee choosing this option shall comply with the VSR procedures in subrule 4.32(2) and attach a signed statement that the report has been enhanced to satisfy the Iowa reporting requirements.

This rule is intended to implement Iowa Code section 56.5(5).

**351—4.33(56,68B) Reporting of earmarked contributions.** A political committee is permitted to receive contributions from its contributors which are earmarked to be donated to a specific candidate's committee or another political committee. A political committee receiving and transmitting earmarked contributions is required to list on its disclosure report the name of the contributor and the name of the candidate or committee for which the contribution was earmarked. The political committee is further required to inform the treasurer of the recipient committee in writing of the name of the individual contributor, as well as the name of the committee which has collected the contribution. The committee receiving the earmarked contribution is required to disclose on its report both the name of the individual contributor and the sponsoring committee.

This rule is intended to implement Iowa Code section 56.6.

**351—4.34(56) Request for inactive status by county central committees—procedure.**

**4.34(1) *Request for inactive status.*** If a county central committee of any political party temporarily disbands because it has no officers and has ceased to function, the committee may file a request for inactive status with the board. A committee has ceased to function when it holds no administrative, organizational, or candidate meetings or fundraisers and when it has made no expenditures for a period of three months. The request must be in writing and filed by the former chairperson or treasurer of the committee. The request shall include a certification by the appropriate state party pursuant to subrule 4.34(2). Once the board grants inactive status, the requirement to file campaign disclosure reports will be waived.

**4.34(2) *Certification by state party.*** A request for inactive status shall include a written certification by an officer of the respective state party. The certification shall state the date of the central committee's last meeting or function, the date of its last financial transaction, the name and address of the financial institution in which the central committee's funds are on deposit, and the fund balance.

**4.34(3) *Return to active status.*** In order for a county central committee to return to active status, the committee shall file an amended statement of organization disclosing the information required by Iowa Code section 56.5. The committee shall also verify the fund balance. Campaign disclosure reports will be due on the next report due date following return to active status and for each reporting period thereafter.

**4.34(4) *Political organizations granted party status.*** A political organization that is certified as a political party by meeting the requirements of Iowa Code section 43.2 shall provide the board with the name of any county that will not be organizing a county central committee. A county subsequently organizing a county central committee may do so by filing a statement of organization pursuant to Iowa Code section 56.5.

**4.34(5) *Loss of party status.*** The board shall automatically classify as a political committee (PAC) any political organization that loses its status as a political party by failing to meet the requirements of Iowa Code section 43.2. The board shall automatically classify as a political committee (PAC) any county central committee that operated under the former political party. A political committee that no longer desires to be active is not eligible to apply for inactive status, but may dissolve by complying with the requirements of Iowa Code section 56.6(5) and rule 351—4.54(56,68B).

**4.34(6) *Failure to comply.*** A person violating the provisions of this rule may be subject to disciplinary action by the board, including the assessment of civil penalties for not filing reports or for late filing of reports.

This rule is intended to implement Iowa Code section 56.6(5).

**351—4.35(56) Permanent organizations forming temporary political committees; one-time contributor filing Form DR-OTC.** Pursuant to Iowa Code section 56.6(6), a permanent organization temporarily engaging in activity that exceeds the \$750 financial filing threshold described in rule 351—4.1(56,68B) is required to organize and register a political committee (PAC), file disclosure reports, and, upon completion of activity, file a notice of dissolution. A permanent organization that is temporarily a political committee shall comply with all of the campaign laws in Iowa Code chapter 56 and this chapter.

**4.35(1) *Form DR-OTC.*** A permanent organization that makes a one-time contribution in excess of \$750 to a committee may, in lieu of filing a statement of organization, disclosure reports, and a notice of dissolution, file Form DR-OTC. The following information shall be disclosed on Form DR-OTC:

- a. The name and address of the organization making the contribution.
- b. The name and address of a contact person for the organization making the contribution.
- c. The name and address of the campaign committee receiving the contribution.
- d. The date and amount of the contribution. If the contribution is an in-kind contribution, a description of the provided goods or services must be included.
- e. The date of election and the county in which the recipient committee is located if the committee is a county or local committee.
- f. The signature and date of the individual filing Form DR-OTC.

A permanent organization that makes more than one contribution is not eligible to file Form DR-OTC and is required to file a statement of organization, file disclosure reports, and file a notice of dissolution.

**4.35(2) *Place of filing.*** Form DR-OTC shall be filed with the board at 514 E. Locust, Suite 104, Des Moines, Iowa 50309, or by fax at (515)281-3701.

**4.35(3) *Time of filing.*** Form DR-OTC shall be filed with the board within ten days after the one-time contribution in excess of \$750 is made. The form must be physically received by the board or, if mailed, must bear a United States Postal Service postmark dated on or before the report due date. A faxed Form DR-OTC must be submitted on or before 11:59 p.m. of the tenth day after the organization of the committee is required. If the tenth day falls on a Saturday, Sunday, or holiday on which the board office is closed, the filing deadline is extended to the next working day when the board office is open.

**4.35(4) *Failure to register.*** If the board discovers that a permanent organization has become subject to the provisions of Iowa Code chapter 56 but did not timely file a statement of organization or file Form DR-OTC, as applicable, the permanent organization is subject to the possible imposition of board sanctions.

**4.35(5) *Partial refund of contribution.*** A committee that receives a contribution from a permanent organization that causes the organization to become subject to the provisions of Iowa Code chapter 56 may refund all or part of a contribution to the organization so as to reduce the contribution to \$750 or less and remove the organization's filing obligations.

This rule is intended to implement Iowa Code sections 56.2(15) and 56.6(6).

**351—4.36(56,68B) *Cash transactions.*** All disbursements, including all expenditures and any other withdrawals from committee funds, shall be by check. Cash withdrawals and "petty cash" accounts are not permitted. If a committee fund-raising activity necessitates a cash drawer for making change or other cash transactions, the committee may issue a check payable to the committee treasurer or the candidate, in the case of a candidate's committee, or payable to the committee treasurer or the committee chairperson, in the case of a political committee. The purpose of the expenditure shall be reported on Schedule B as "cash advance for (describe activity, e.g., concession stand cash drawer)." Upon completion of the fund-raising activity, the committee shall redeposit the same amount as that which was advanced into the committee account. The redeposit shall be reported as a reverse entry on Schedule B as a "redeposit of cash advance for (describe activity)." The proceeds of the fund-raising activity (excluding the cash advance) shall be reported on Schedule A - Contributions Received.

This rule is intended to implement Iowa Code sections 56.3 and 56.6.

**351—4.37(56,68B) *Record keeping.***

**4.37(1) *Copies of reports.*** A committee shall preserve a copy of every report it files for at least three years following the filing of the report.

**4.37(2) *Supporting documentation.*** The documentation which supports a committee's disclosure report shall be preserved by the committee for at least five years after the due date of the report that covers the activity documented in the records; however, a committee is not required to preserve these records for more than three years from the certified date of dissolution of the committee. At a minimum, the supporting documentation shall consist of all of the following:

*a.* A ledger or similar record-keeping device which details all contributions received by the committee. This record shall include the name and address of each person making a contribution in excess of \$10, with the date and amount of the contribution. In lieu of or in addition to a ledger, the committee may record contributions received through a receipt book or other method of individually documenting the contributions, such as by making and keeping copies of the contribution checks.

*b.* The check register for the committee's account(s).

*c.* Bank statements for the committee's account(s).

*d.* Copies of canceled or duplicate checks for committee expenditures, if available.

*e.* Copies of bills or receipts for committee expenditures.

f. For committees which pay reimbursement for committee-related mileage, copies of vehicle mileage logs, including travel dates, distance driven, and travel purpose (description of event or activity). For a candidate's committee which leases a vehicle, the mileage log shall detail all mileage driven on the vehicle, including non-committee-related mileage.

This rule is intended to implement Iowa Code sections 56.3, 56.6, 56.7, 56.41, and 68B.32A.

DIVISION III  
POLITICAL MATERIAL—ATTRIBUTION STATEMENTS

**351—4.38(56,68B) Political attribution or disclaimer statements—contents.** Political advertising or other published material which expressly advocates for a political purpose shall contain a statement identifying its sponsor. This statement is referred to as the “attribution statement,” or the “disclaimer statement.” “Express advocacy” is as defined in subrule 4.53(1).

**4.38(1) Short form statement.** If the advertisement or other material is paid for by the candidate or candidate's committee that has filed a statement of organization under Iowa Code chapter 56, and the specific name and address are available to the public, the statement will be acceptable if it contains the words, “Paid for by the Candidate”, “Paid for by (candidate's name), Candidate” or “Paid for by the Candidate's Committee”, whichever is applicable. If the advertisement or other material is paid for by a political committee that has filed a statement of organization under Iowa Code chapter 56, and the specific name and address are available to the public, the statement will be acceptable if it contains the words, “Paid for by the (name of the committee)”.

**4.38(2) Full form statement—individual.** If the advertising or material is paid for by an individual acting independently, and the individual has exceeded \$750 in expenditures (other than contributions) for the political purpose advocated by the advertising or material, the statement shall contain the words “Paid for by” followed by the full name and complete address (street or box number/city/state/ZIP code) of the person. The full name and address shall be included in this statement even if the name and address of the person appear elsewhere on the advertising or material.

**4.38(3) Full form statement—candidate who spends less than \$750.** Advertising or material paid for by a candidate who has not organized a committee because the candidate has raised or spent less than \$750 in advocacy of the candidacy shall contain the same information as required for an individual under subrule 4.38(2). In addition, after the full name, the candidate may choose to include words identifying that this is the candidate, such as “first name, last name, Candidate.”

**4.38(4) Full form statement—corporation involved in a ballot issue election.** If the advertising or other material is paid for by a corporation involved in a ballot issue, but the corporation has not organized a committee because it has not exceeded \$750 in activity with regard to the ballot issue, the statement shall contain the full name and address of the corporation, as well as the name and office designation of one officer of the corporation.

**4.38(5) Full form statement with additional language requirement for organizations other than corporations and registered committees.** If the advertising or other material is paid for by an informal association or organization of persons which has not organized a committee because it has not exceeded \$750 for a political purpose, but which is not a corporation, the statement shall contain the full name and address of the association or organization, the name and office designation of one officer of the association or organization, and the statement, “This association (or organization) is not incorporated and is not a registered committee.” In the alternative, an association or group may use the statement method provided in subrule 4.38(6).

**4.38(6) Short form statement for multiple sponsors with addresses on file.** If the published material contains the names of more than one individual who has contributed to its cost, the addresses of the individuals need not be included if the following or a substantially similar statement appears: “This published material has been paid for by the above-named individuals whose addresses are on file with the Iowa ethics and campaign disclosure board.” The list shall be provided to the board and made available for public inspection.

**4.38(7) Pooled efforts; authorized activity.** If the advertising or other material is not wholly paid for by any one person or entity, but is an authorized activity by a committee, the attribution statement shall include an accurate description of the transaction. For example, if a political committee coordinated and provided the labor for providing a mass mailing, but a candidate's committee paid for the postage, the statement may indicate, "Paid for by (the candidate's committee), with labor provided by (the political committee)." Likewise, if a committee coordinates the activities of individual volunteers who participate in a committee-authorized distribution of advertising or other material, the statement may indicate, "Paid for by (the name and address of the individual volunteer), Authorized by (the name of the committee)." This attribution style would apply, for example, if the "Citizens for Smith" committee requests and coordinates the efforts of ten supporters to each write and send a personalized invitation to a committee fund-raising event.

**4.38(8) Thank-you ads excluded.** Postelection thank-you ads are not express advocacy and therefore not political advertising requiring inclusion of an attribution statement.

This rule is intended to implement Iowa Code section 56.14.

**351—4.39(56,68B) Yard signs and outdoor advertising.** "Yard signs," which are exempt from the attribution statement requirement, means a political sign with dimensions of 16 square feet or less which has been placed or posted on real property. "Outdoor advertising," which requires the attribution statement, means any political sign other than yard signs including, but not limited to: wood, metal, plastic or other hardboard signs affixed to the side of a building or painted directly on the side of the building; signs placed on the top of a car, truck or other vehicle; signs painted or affixed to the side of a vehicle; any advertisement printed, painted or otherwise displayed on a portable sign carrier; or magnetic signs temporarily placed on vehicles or structures.

This rule is intended to implement Iowa Code section 56.14.

**351—4.40(56,68B) Newspaper or magazine.** For the purposes of these rules and Iowa Code section 56.14, "newspaper or magazine" means a regularly scheduled publication of news, articles of opinion, and features available to the general public which does not require membership in or employment by a specific organization.

This rule is intended to implement Iowa Code section 56.14.

**351—4.41(56,68B) Political advertising disclaimers (identification of sponsor).** If published material subject to the disclaimer requirements of Iowa Code section 56.14 consists of more than one page, the disclaimer need only appear on one page of the published material, so long as its placement is conspicuous.

In determining the requirements for identification of the sponsor of political advertising, the final location of the advertising shall be considered.

This rule is intended to implement Iowa Code section 56.14.

**351—4.42(56,68B) Specific items exempted from or subject to attribution statement requirement.**

**4.42(1) Items exempted from requirement.** The statute specifically excludes yard signs, matchbooks, bumper stickers, pins, buttons, pens, and "similar small items upon which the inclusion of the attribution statement would be impracticable." This is interpreted to include pencils, emery boards, T-shirts, caps, and other articles of clothing where printing an attribution statement would greatly increase the cost of the item.



**4.42(2) *Items subject to requirement.*** In addition to those items specified by Iowa Code section 56.14(1)“b,” the requirement for an attribution statement is interpreted to apply to scratch pads and postcards because inclusion of the statement is not impracticable when other text is being printed, and the cost is not significantly increased by printing it. The attribution statement shall also appear on any Web site that expressly advocates the election, nomination, or defeat of a clearly identified candidate or expressly advocates the passage or defeat of a clearly identified ballot issue. The attribution statement only needs to appear on the home page of the Web site.

This rule is intended to implement Iowa Code section 56.14.

**351—4.43(56,68B) Apparent violations; remedial actions.**

**4.43(1)** If advertising or other published material which appears to omit an attribution statement as required by Iowa Code section 56.14 and these rules is provided to the board, the board may contact third parties, including newspapers and printers, in an effort to determine the identity of the responsible party.

**4.43(2)** If advertising or other published material was initially distributed without the required attribution statement, a potential remedial measure which may be directed by the board in an effort to achieve informal resolution shall be republication or distribution of a notice to the same or substantially the same portion of the public which was exposed to the initial advertisement or publication. The notice shall be in substantially the following form: “On (date), (I/we) (ran an advertisement/distributed a brochure/sent a mailing) (describe political activity advocated, e.g., asking for your contribution to my campaign, asking you to vote against the ballot issue). That (ad/brochure/ mailing) failed to contain an attribution statement as required by Iowa Code section 56.14, necessary to provide notice as to who had paid for the material. It was in fact paid for by (name). Paid for by (detail of attribution in conformity with rule 4.38(56,68B)).”

If the notice is run in a newspaper, the newspaper shall be of sufficiently wide circulation to reach virtually all members of the public originally exposed to the initial advertisement or publication. The notice shall also be in a section of the newspaper other than the classified section, be at least one column wide, and have a black border surrounding the ad.

This rule is intended to implement Iowa Code section 56.14.

DIVISION IV  
CORPORATE POLITICAL ACTIVITY

**351—4.44(56,68B) Use of corporate property prohibited.** It is unlawful for a candidate’s committee or other political committee to use any property of a corporate entity, and it is unlawful for a corporate entity to knowingly permit the use of its property by a candidate’s committee or other political committee. “Corporate entity” as used in these rules means any profit or nonprofit corporation, and includes, but is not limited to, farm corporations, professional corporations (P.C.s), banks, savings and loan institutions, credit unions and insurance companies. For the purpose of these rules, the prohibited use of the property of a corporate entity shall include, but not be limited to, the following:

**4.44(1)** The physical placement of signs, billboards, posters, bumper stickers, brochures or other political advertising on corporate personal and real property, including the interior and exterior of buildings and motor vehicles. However, these rules are not intended to prohibit the use by a political committee or a candidate’s committee of an area commonly available to any member of the general public for other purposes.

**4.44(2)** The placement of a yard sign on the lawn or grounds of property owned by a corporate entity, unless the property is rented or leased to an individual for residential purposes, or unless the property is agricultural land owned by a family farm corporation.

**4.44(3)** The use of motor vehicles, telephone equipment, long-distance lines, computers, typewriters, office space, duplicating equipment and supplies, stationery, envelopes, labels, postage, postage meters or communication systems of corporate entities.

**4.44(4)** The use of corporate entity facilities, premises, recreational facilities and housing that are not ordinarily available to the general public.

**4.44(5)** The furnishing of beverages and other refreshments that are not ordinarily available to the general public.

**4.44(6)** The contributing of money of the corporate entity.

**4.44(7)** Any other transaction conducted between a corporation and a candidate's committee or political committee is presumed to be a corporate contribution unless the candidate's committee or political committee establishes to the contrary.

This rule is intended to implement Iowa Code section 56.15.

**351—4.45(56,68B) Corporate-sponsored political committee.** These rules do not prevent a corporate entity from soliciting eligible members to join or contribute to its own corporate-sponsored political committee (PAC), so long as the corporate entity adheres to the provisions of Iowa Code section 56.15.

This rule is intended to implement Iowa Code section 56.15.

**351—4.46(56) Voter education.** These rules do not prevent a corporate entity from providing or publicizing voter registration procedures, election day information, voting procedures or other voter education information, so long as the information provided does not expressly advocate the election or defeat of a clearly identified candidate. Also, these rules do not prevent a candidate's committee from using a corporate computer to generate and file a campaign disclosure report so long as the report does not expressly advocate the election or defeat of a clearly identified candidate.

This rule is intended to implement Iowa Code section 56.15.

**351—4.47(56,68B) Permitted activity—reimbursement required.** The prohibitions against certain transactions between corporate entities and candidates or committees expressly advocating the election or defeat of candidates contained in Iowa Code section 56.15 and in rule 4.44(56,68B) are not construed to prohibit activity that occurs consistent with this rule.

**4.47(1) *Purchase or rental of office facility.*** A candidate's committee or any other committee that expressly advocates the election or defeat of a candidate may purchase or rent property belonging to a corporate entity, so long as the purchase or rental is at fair market value. For the purpose of this subrule, "fair market value" means the amount that a member of the general public would expect to pay to purchase or rent a similar property within the community in which the property is located.

**4.47(2) *Use of corporate facilities to produce or mail materials.*** Any person who uses the facilities of a corporate entity to produce or mail materials in connection with a candidate election is required to reimburse the corporate entity within a commercially reasonable time for the normal and usual charge for producing or mailing such materials in the commercial market. For example, if it would otherwise cost 10 cents per page to have a brochure copied at a commercial printer, the corporate entity must be reimbursed at 10 cents per page even if the overhead and operating cost is only 5 cents per page. Likewise, the corporate entity must be reimbursed at the first-class mail rate even if the direct cost to the corporate entity is less through the use of its bulk mail permit. This subrule does not affect the ability of a commercial vendor to charge an amount for postage which is less than for first-class mail where the reduced or bulk mail charge is available to all similarly situated customers without respect to the political identity of the customer.

**4.47(3) *Use or rental of corporate facilities by other persons.*** Persons other than stockholders, administrative officers or employees of a corporate entity who make any use of corporate facilities, such as using telephones, facsimile machines, typewriters or computers or borrowing office furniture for activity in connection with a candidate election, are required to reimburse the corporate entity within a commercially reasonable time in the amount of the normal and usual rental charge. If one or more telephones of a corporate entity are used as a telephone bank, a rebuttable presumption is established that \$3 per telephone per hour, plus any actual long distance charges, is acceptable as a normal and usual rental charge.

**4.47(4) Use of airplanes and other means of transportation.**

a. *Air travel.* A candidate, candidate's agent, or person traveling on behalf of a candidate who uses noncommercial air transportation made available by a corporate entity shall, in advance, reimburse the corporate entity as follows:

(1) Where the destination is served by regularly scheduled commercial service, the coach class airfare (without discounts).

(2) Where the destination is not served by a regularly scheduled commercial service, the usual charter rate.

b. *Other transportation.* A candidate, candidate's agent, or person traveling on behalf of a candidate who uses other means of transportation made available by a corporate entity shall, within a commercially reasonable time, reimburse the corporate entity at the normal and usual rental charge.

**4.47(5) Equal access not required.** For the purpose of this rule, it is not necessary that the corporate entity be in the business of selling or renting the property, good or service to the general public; further, it is not necessary that the corporate entity provide access to the same property, good or service to other candidates or committees.

**4.47(6) Commercially reasonable time.** For the purpose of this rule, a rebuttable presumption is established that reimbursement to the corporate entity within ten business days is acceptable as within a commercially reasonable time.

This rule is intended to implement Iowa Code section 56.15.

**351—4.48(56,68B) Use of corporate facilities for individual volunteer activity by stockholders, administrative officers and employees.** Stockholders, administrative officers and employees of a corporate entity may, subject to the rules and practices of the entity, make occasional, isolated, or incidental use of the facilities of a corporate entity for individual volunteer activity in connection with a candidate election and will be required to reimburse the corporate entity only to the extent that the overhead or operating costs of the corporate entity are increased; however, the name or identity of the corporate entity shall not be utilized by the stockholder, administrative officer or employee for the direct or indirect purpose of influencing an election of a candidate. Reimbursement for increased overhead or operating costs shall be made within a commercially reasonable time as defined in subrule 4.47(6).

As used in this rule, "occasional, isolated, or incidental use" generally means:

1. When used by administrative officers or employees during working hours, an amount of activity during any particular work period which does not prevent the administrative officer or employee from completing the normal amount of work which that administrative officer or employee usually carries out during such work period; or

2. When used by stockholders other than administrative officers or employees during the work period, such use does not interfere with the corporation in carrying out its normal activities; but

3. Any such activity which does not exceed one hour per week or four hours per month, regardless of whether the activity is undertaken during or after normal working hours, shall be considered as occasional, isolated, or incidental use of the corporate facilities.

This rule is intended to implement Iowa Code section 56.15.

**351—4.49(56,68B) Individual property.** These rules do not apply to the personal or real property of corporate officers or of individuals employed or associated with a corporate entity and shall not abridge the free-speech rights and privileges of individuals.

This rule is intended to implement Iowa Code section 56.15.

**351—4.50(56) Political corporations.** The prohibitions in Iowa Code section 56.15 on corporations that make expenditures to expressly advocate for or against a clearly identified candidate do not apply to a nonprofit advocacy corporation that has received certification as a political corporation pursuant to this rule.

**4.50(1) *Applicability.*** A political corporation may make an independent expenditure as defined in Iowa Code section 56.13(1) to expressly advocate for or against a clearly identified candidate. However, a political corporation may not make direct contributions to a candidate's committee, state statutory political committee, county statutory political committee, or any political committee (PAC) that is established to expressly advocate for or against a clearly identified candidate.

**4.50(2) *Criteria.*** A corporate entity applying for certification as a political corporation shall meet all of the following criteria:

a. The corporation was organized solely for political purposes and engages in minor business activities that generate minimal income and that are incidental to its political purposes.

b. The corporation is not sponsored by a business corporation and has a policy of accepting only an insignificant and insubstantial amount of income from business corporations.

c. The corporation has no shareholders or others that have claims on its assets or earnings.

**4.50(3) *Application.*** A corporate entity seeking certification as a political corporation shall submit a letter affirming that the corporate entity meets all of the criteria set out in subrule 4.50(2). The application letter shall also include all other pertinent details of the corporate entity's activities and shall be signed by a corporate officer.

**4.50(4) *Board review.*** The board shall review an application letter from a corporate entity seeking status as a political corporation and shall issue a letter of approval or denial.

**4.50(5) *Denial or failure to seek certification.*** It shall be deemed a violation of Iowa Code section 56.15 for a corporate entity that is denied certification as a political corporation to make an independent expenditure that expressly advocates for or against a clearly identified candidate. It shall be deemed a violation of Iowa Code section 56.15 for a corporation to make an independent expenditure that expressly advocates for or against a clearly identified candidate without first seeking certification as a political corporation.

**4.50(6) *Filing.*** As required by Iowa Code section 56.13, a corporate entity granted political corporation status that makes an independent expenditure in excess of \$750 in the aggregate shall file an independent expenditure statement within 48 hours after the making of the expenditure.

**4.50(7) *Campaign committee incorporation.*** An Iowa committee organized under Iowa Code chapter 56 that chooses to incorporate may do so without applying for certification as a political corporation. A committee that chooses to incorporate is not a prohibited contributor under Iowa Code section 56.15.

This rule is intended to implement Iowa Code sections 56.13 and 56.15.

**351—4.51(56,68B) Political corporations required to file disclosure reports.** Rescinded IAB 10/29/03, effective 12/3/03.

**351—4.52(56,68B) Corporate involvement with political committee funds.**

**4.52(1) *Corporate payroll deductions.*** For purposes of interpretation of Iowa Code section 56.15, the administrative functions performed by a corporation (profit or nonprofit corporation including, but not limited to, a bank, savings and loan institution, credit union or insurance company) to make payroll deductions for an employee organization's political committee and to transmit the deductions in lump sum to the treasurer of the political committee shall not be a prohibited corporate activity so long as the corporate entity is serving only as a conduit for the contributions.

**4.52(2) *Joint solicitations and electronic transfer deposits.*** Corporate sponsors of political committees which receive membership dues are permitted to solicit and receive contributions to their political committees (PACs) subject to the following requirements:

a. The corporate sponsor shall initially submit a copy of its joint solicitation form for prior approval of the board. The joint solicitation form shall include a prominent statement that financial participation in the political committee (PAC) is voluntary and not a requirement of membership with the sponsor. The form further shall state that a check containing both membership dues and PAC contributions cannot be written on a corporate account.

b. The corporate sponsor shall resubmit its joint solicitation form each year with its PAC January disclosure report. If changes in the form have been made (other than dates), the form shall not be used until approved.

c. Checks which include both dues and PAC contributions may be deposited in the respective banking accounts by electronic transfer deposit so long as the sponsor maintains no control over the PAC portion of the funds, and records of the individual checks received are retained by the sponsor or PAC for a period of three years. These records shall be available to the board upon request.

**4.52(3) Allowable costs of administration.** For the purposes of interpreting Iowa Code section 56.15, subsection 3, which permits an entity otherwise forbidden from contributing to a candidate or a candidate's committee for "financing the administration of a committee sponsored by that entity," the following are considered to be allowable costs of administration:

a. Full or partial compensation for political committee staff, which may include both wages and benefits.

b. Expenses of transportation and travel incurred by political committee staff; however, this does not include expenses of transportation or travel if provided by a political committee or a staff member to a candidate, nor does this include expenses of meals or events held on behalf of a candidate.

c. Printing and office supplies related to routine office administration so long as the printing and supplies are not used to expressly advocate for or against any candidate.

d. Postage and stationery, including that necessary for mailing contributions to specific candidates. Postage and stationery necessary for distributing political material expressly advocating a specific candidate to persons other than the committee membership are not permitted.

e. Expenses of maintaining committee records and preparing financial disclosure reports, including costs associated with services provided by an accountant or other professional.

f. Promotional materials, such as stickers, pens, and coffee cups, so long as the items promote the political committee itself, but not a specific candidate.

An item which is excluded by this subrule from being an allowable cost of administration may still be provided by the committee, so long as that cost is paid for from contributions or other sources of funds other than the parent entity.

This rule is intended to implement Iowa Code section 56.15.

#### DIVISION V INDEPENDENT EXPENDITURES AND IN-KIND CONTRIBUTIONS

**351—4.53(56,68B) Express advocacy; in-kind contributions; independent expenditures—definitions.** For the purposes of Iowa Code chapter 56, the following definitions apply.

**4.53(1) Express advocacy.** "Express advocacy" means any communication as defined in Iowa Code section 56.2(14). "Express advocacy" includes a communication that uses any word, term, phrase, or symbol that exhorts an individual to vote for or against a clearly identified candidate or for the passage or defeat of a clearly identified ballot issue.

**4.53(2) In-kind contribution.** "In-kind contribution" means the provision of any good or service to a committee without charge or at a charge that is less than the usual and normal charge for such good or service. If a good or service is provided at less than the usual and normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the good or service at the time of the contribution and the amount charged the committee. An in-kind contribution also includes any expenditure that meets the definition of a coordinated expenditure in subrule 4.53(4).

**4.53(3) Independent expenditure.** "Independent expenditure" means an expenditure by a person for goods or services, including express advocacy communication, on behalf of a candidate or a ballot issue which is not made with the knowledge and approval of a candidate or a ballot issue committee. "Independent expenditure" does not include incidental expenses (expenses of \$25 or less per incident absorbed by the volunteer which result from or arise out of the volunteer work) incurred by an individual in performing volunteer work.

**4.53(4) Coordinated expenditure.** “Made with the knowledge and approval of a candidate or ballot issue committee” means that there has been arrangement, coordination, or direction by the candidate or an agent or officer of the candidate’s committee or a ballot issue committee prior to the procurement or purchase of the good or service, or the publication, distribution, display, or broadcast of an express advocacy communication. This may also be referred to as a “coordinated expenditure.” An expenditure will be presumed to be coordinated when it is:

*a.* Based on information provided to the expending person by the candidate, the candidate’s committee, or the ballot issue committee with a view toward having an expenditure made; or

*b.* Made by or through any person who is or has been authorized to raise or expend funds; who is or has been an officer of the candidate’s committee or the ballot issue committee; or who is or has been receiving any form of compensation or reimbursement from the candidate, the candidate’s committee, or the ballot issue committee.

This rule is intended to implement Iowa Code section 56.13.

DIVISION VI  
COMMITTEE DISSOLUTION

**351—4.54(56,68B) Statement of dissolution (DR-3); final report; closing bank statement.**

**4.54(1) Statement of dissolution; signature.** The statement of dissolution (DR-3) shall be filed within 30 days after the committee terminates its activity, disposes of its funds and assets, and has discharged all of its debts and obligations. The statement shall be either typewritten or printed legibly in black ink and shall be signed by the treasurer or candidate in the case of a candidate’s committee, or by the treasurer or chairperson in the case of a political committee.

**4.54(2) Final report.** The committee shall file a final report indicating the committee’s closing transactions. A committee which submits a report designated as a final report which, when reviewed by the board staff in conjunction with prior committee reports and bank statements, accounts for all committee balances and evidences that all committee funds and assets have been properly distributed and all obligations have been discharged, shall be certified by the board staff as dissolved and its filing obligations shall be terminated. A committee that submits a report designated as a final report which, when reviewed by the board staff, does not account for all previously reported balances and obligations, shall not be certified as dissolved, and its filing obligations shall continue until the inconsistencies are resolved either through amending or supplementing the attempted final report submitted by the committee.

**4.54(3) Final bank statement.** A copy of the committee’s final bank statement showing the committee’s closing transactions and a zero balance shall be attached to or submitted with the committee’s final report. Committees participating in elections at the county, city, school, or other political subdivision level are not required to file a final bank statement unless requested to do so by the board. A committee seeking a waiver from the requirements of this subrule may do so in accordance with 351—Chapter 15.

This rule is intended to implement Iowa Code section 56.6(5).

**351—4.55(56,68B) Leftover funds.**

**4.55(1)** A committee may file a Notice of Dissolution when all of its debts and obligations are paid or satisfied, all campaign property is disposed of, and its cash balance is reduced to zero.

**4.55(2)** If a committee owes a debt to a corporate entity which the committee is unable to repay because the corporate entity has disbanded, the record of the debt has been lost or for some other reason the debt remains unpaid, the committee will be considered to have satisfied this obligation if the committee pays an amount equal to the debt owed the corporate entity either to a charitable organization or the state of Iowa general fund and if the committee provides evidence of this payment to the board.

This rule is intended to implement Iowa Code sections 56.6(5), 56.15, and 56.43.

**351—4.56(56,68B) Disposition of property for dissolution of committee.**

**4.56(1) *Manner of disposition—candidates' committees.*** The final report of a candidate's committee shall include an accounting of the disposition of all campaign property with a residual value of \$100 or more. Disposition may be through a sale of the property at fair market value, with proceeds treated as any other campaign funds, or through donation of the property as set out in Iowa Code section 56.42(1). The committee shall be prepared to provide an explanation or documentation of a fair market value determination.

**4.56(2) *Computer software.*** Because some computer software cannot be sold or transferred to another entity due to license, copyright or trademark restrictions, the committee may provide a statement signed by the candidate or political committee chairperson that software cannot be transferred and is therefore deemed to have no market value. In the event the committee is able to legally transfer the software, the committee shall establish a fair market value for the transaction and properly report its disposition on the final report.

This rule is intended to implement Iowa Code sections 56.6 and 56.43.

**351—4.57(56,68B) Assumption or settlement of debts and obligations.**

**4.57(1) *Assumption generally allowed, except by corporations.*** Debts or obligations of a committee may be transferred, assumed, or forgiven by a person other than the committee. The forgiveness of a debt is an in-kind contribution to the committee, except that the person shall not be a corporation unless the committee is a ballot issue committee. When noncorporate transfers, assumptions, or forgiveness of debts or obligations occurs, the committee shall submit a written and signed agreement between the three parties, in the case of a transfer or assumption (the original debtor-committee, the person who is owed the debt, and the new, assuming debtor), or between the two parties, in the case of a debt forgiveness.

**4.57(2) *Settlement of contested debts.*** If there is a dispute or contest between the committee and a creditor which is a corporation, in order to discharge or settle a committee debt for less than the original amount of the indebtedness, the committee and the creditor shall submit a written statement to the board describing the debt and the controversy. The corporate creditor shall also describe the steps taken to settle or collect the debt in question, as well as describing the steps taken to settle or collect other debts owed to the creditor by other persons in the creditor's ordinary course of business. The board will review these matters on a case-by-case basis in order to determine whether to allow the committee to report the debt as discharged. If there is a dispute or contest between the committee and a creditor that is not a corporation, the debt may be discharged or settled for less than the original amount of the debt if the committee provides with its disclosure report a written and signed agreement between the two parties describing the debt and the controversy and the resolution or settlement to which the parties have agreed. However, for a committee debt owed to any creditor, whether a corporation or not, a copy of a final court order which establishes as a finding of fact or conclusion of law that the committee has no further liability on the obligation to the creditor shall be dispositive of the issue for purposes of whether the debt can be reported as discharged.

**4.57(3) *Unavailable creditor.*** If the committee cannot locate a person to whom it owes a debt, the committee shall provide the board with a written statement describing the steps it has taken to locate the creditor and shall request direction from the board as to what additional steps, if any, should be taken. If the debt is owed a corporation, the additional steps may include payment to a charitable entity or the general fund of the state of Iowa as provided in rule 4.55(56,68B).

This rule is intended to implement Iowa Code sections 56.6 and 56.15.

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## CHAPTER 5 COMPLAINT, INVESTIGATION, AND RESOLUTION PROCEDURE

[Prior to 9/9/87, Campaign Finance Disclosure[190] Ch 1]  
[Prior to 3/30/94, Campaign Finance Disclosure Commission[121] Ch 1]  
[Prior to 8/21/02, see 351—Ch 1]  
Rescinded IAB 9/17/03, effective 10/22/03

## CHAPTER 6 CIVIL PENALTIES

[Prior to 3/30/94, Campaign Finance Disclosure Commission[121] Ch 6]  
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